

Eduardo J. Glas, Esquire (# EG7027)
McCARTER & ENGLISH, LLP
245 Park Avenue
27th Floor
New York, New York 10167
(212) 609-6800 - Telephone
(212) 609-6921 - Facsimile
Attorneys for Occidental Energy Marketing, Inc.

Hrg Date: December 16, 2008 at 10:00 am

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	:	Chapter 11
	:	
In re:	:	Case Nos. 08-13555(JMP)
	:	
LEHMAN BROTHERS HOLDINGS	:	(Jointly Administered)
INC., et. al.,	:	
	:	
	:	
Debtor.	:	
	:	

**OCCIDENTAL ENERGY MARKETING, INC.'S JOINDER IN OBJECTIONS
TO DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105 AND
365 OF THE BANKRUPTCY CODE TO ESTABLISH PROCEDURES FOR
THE SETTLEMENT OR ASSUMPTION AND ASSIGNMENT OF
PREPETITION DERIVATIVE CONTRACTS [D.I. # 1498]**

Occidental Energy Marketing, Inc. (hereinafter "OEMI"), hereby joins in the objections to the Debtors' Motion for an Order Pursuant to Sections 105 and 365 of the Bankruptcy Code to Establish Procedures for the Settlement or Assumption and Assignment of Prepetition Derivative Contracts [D.I. # 1498] (the "Derivative Motion") and in support thereof states as follows:

BACKGROUND

1. OEMI and Lehman Brothers Commodity Services, Inc. ("LBCS") are parties to a certain International Swap Dealers Association, Inc. (ISDA) Master Agreement dated as of September 21, 2006 (the "Agreement"). Lehman Brothers Holdings Inc. was the Credit Support Provider for LBCS. On October 10, 2008, OEMI cancelled and terminated all outstanding

Transactions between OEMI and LBCS under the Agreement with an effective date of October 13, 2008. OEMI has been working informally with the Debtors to resolve any issues relating to the setoff of claims between the parties. To date, the parties have not resolved these issues.

JOINDER

2. The Debtors' Derivative Motion proposes to set in place procedures for the resolution of "Derivative Contracts" that are either "in the money" and therefore will be assumed and assigned or are "terminated" in which case procedures may be implemented to resolve and fix the amounts owing between the parties. However, the Derivative Motion does not identify which contracts the Debtors believe are either "in the money" or "terminated." OEMI joins in the objections raised by parties similarly situated with OEMI to the extent that the Derivative Motion and procedures outlined therein, are intended to apply to OEMI, whether OEMI is considered an "in the money" contract or "terminated" contract.

3. Furthermore, it is unclear from the Derivative Motion whether the assumption and assignment procedures or the termination procedures will address the issue of setoff of claims. Therefore, OEMI objects to the Derivative Motion to the extent it is intended to affect any right of setoff of OEMI under the Agreement or any related agreements and requests that the Court prohibit any transactions by the Debtors that would result in an impairment of OEMI's setoff rights. OEMI joins in the objections raised to date with respect to this matter to the extent not inconsistent with this objection. OEMI further reserves any and all rights under the Agreement and the right to submit additional arguments in support of this Joinder and Objection prior to or during the hearing on the Derivative Motion.

CONCLUSION

WHEREFORE, for the reasons stated above, OEMI joins in the objections to the relief requested in the Derivative Motion and requests that the Court grant such other and further relief as deemed just and proper.

/s/ Eduardo J. Glas
Eduardo J. Glas, Esquire (# EG7027)
McCARTER & ENGLISH, LLP
245 Park Avenue
27th Floor
New York, New York 10167
(212) 609-6800 - Telephone
(212) 609-6921 - Facsimile
eglas@mccarter.com

and

Katharine L. Mayer, Esquire
McCarter & English, LLP
Renaissance Centre
405 N. King Street, 8th Floor
Wilmington, DE 19899
(302) 984-6300 - Telephone
(302) 984-6399 - Facsimile
kmayer@mccarter.com
Attorneys for Occidental Energy Marking, Inc.

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